GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1915
ANSWERED ON:09.03.2001
CONSTITUTION OF STATE FINANCE COMMISSION
GIRDHARI LAL BHARGAV

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government propose to make amendment in the constitution with a view to constitute the State Finance Commission even before completion of five years;

(b) if so, whether the Eleventh Finance Commission has also made recommendation to the Union Government in this regard;

(c) if so, whether the Union Government are considering the said proposal; and

(d) the time by which decision would be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) to (d): The Eleventh Finance Commission (EFC) in their main report for 2000-05 has suggestedamending Article 243-I of the Constitution to enable a State to set up the State Finance Commission 'at theexpiration of every fifth year or earlier', akin to the provision that already exists under Article 280 for constituting Finance Commission.

Since the suggestion of the EFC would require extensive consultations with State Governments, no time frame canbe fixed in the matter.